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U.S. Small Business Administration
New York District Office
26 Federal Plaza, Ste. 3100
New York, NY 10278

Jose R. Sifontes, District Director

Tel: 212-264-4354
TDD: 704-344-6640
Fax: 212-264-4963
Web: www.sba.gov/ny/ny

The SBA New York District encompasses the area of New York City, Long Island and the downstate counties of Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester.

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John J. Miller, Editor

*All of the SBA's programs and services
are provided to the public on a
nondiscriminatory basis*

The SBA Concludes One Year of 50th Anniversary Celebrations

On April 16 Administrator Hector V. Barreto visited the New York Stock Exchange to ring the closing bell and conclude a year of celebrating the U.S. Small Business Administration's 50th anniversary. The following is an open letter from Administrator Barreto to celebrants of our anniversary and the accomplishments of small business owners.

This milestone has presented us with the opportunity to celebrate the incredible contributions that small businesses have made to this great nation. Since the founding of our country, small businesses have contributed immeasurably to our progress and economic strength. Small business is an enduring symbol of the American Dream. For the last 50 years, the SBA has played a vital role in ensuring that the door to the American dream was truly open to all entrepreneurs, because the dream should never be limited to access to capital, information or training.



SBA Administrator Hector Barreto (center) closes out the agency's 50th anniversary celebrations this May by ringing the bell at the NASDAQ.

In America, an entrepreneur's only limit should be his or her own ideas and desire to succeed.

Please join me in celebrating America's small businesses, and the SBA's commitment to help entrepreneurs keep that American dream alive and well for today, and for future generations.

Sincerely,

Hector V. Barreto

Administrator

New Tools for Lowering Small Business Health Care Costs: Health Savings Accounts and Association Health Plans Offer Solutions to Small Business Owners' Most Pressing Problem

By Michael Pappas, New York Regional Administrator

There is a powerful new tool in the arsenal of small business owners who want to provide health care insurance for themselves, their families, and their employees.

The tool is called the Health Savings Account, or HSA. Signed into law by President George W. Bush late last year, HSAs offer small business owners and employees what they need from their health care coverage: affordability, portability, and freedom.

HSAs are tax-free savings accounts that individuals can use to pay for routine medical expenses. Anyone can own an HSA. Employers and employees alike can contribute. Contributions are tax free. Interest is tax free. Withdrawals for routine medical expenses are tax free.

If you open an HSA, it belongs to you. That means you choose how much to put in. You choose which health care services you want to purchase. You choose your own doctor.

It also means that your HSA goes with you wherever you go. You might change jobs. You might choose to stop working altogether. You might move across the country. It doesn't matter -- your HSA is yours, and it is always there to help you afford the health care you need.

HSAs are not only a powerful tool for the people who own them. They also offer a tremendous opportunity for small business owners who want to offer health insurance to their employees but previously could not afford it. HSAs can save small business owners up to 40 percent in health care costs. That means some small business owners who never could offer health care to their employees before can do so now if they take advantage of HSAs. It also means that small businesses that switch to HSAs from other, traditional health coverage plans can save more money to buy new equipment, grow their businesses, and create even more jobs for hard-working Americans.

Here's how it works: To set up an HSA, a worker or his employer must first obtain a high-deductible insurance policy to cover major medical expenses. The premiums for such high-deductible plans are much lower than traditional plans, but they provide coverage for surgery, hospital stays and other large expenses. Having obtained coverage for major medical bills, workers can then open an HSA to cover routine medical expenses, such as visits to the doctor or over-the-counter drugs. Those individuals or their employers can contribute up to \$2,600 for an individual or \$5,150 for a family to their HSA account.

Of course, the fight for affordable health care is far from over. Small businesses are still at a distinct disadvantage when it comes to finding affordable ways to provide for their employees. For example, while large corporations can leverage their considerable buying power to negotiate lower cost health care plans, small businesses have no such advantage. But if small businesses were allowed to band together to purchase health insurance for their employees, they would be able to command the same respect – and low costs – that big corporations do. That is why President Bush supports Association Health Plans (AHPs). The idea behind AHPs is simple: the law should not prevent small business owners from joining together and pooling their resources in order to provide affordable health care. AHPs would level the playing field, by giving small businesses the same buying power that large companies already have.

Small businesses are the engines of our economy. They are the innovators and job creators of America. President George W. Bush and the SBA are committed to helping them find new ways for them and their employees to succeed. Affordable health care must be part of that success, and HSAs and AHPs are a big step in the right direction.



A Message from the District Director

I would like to take the opportunity in this newsletter edition to highlight the SBA services for our armed forces veterans who have served, are serving, or will be returning from Iraq and Afghanistan.

Those military reservists who own small businesses that have been adversely affected by their tours of duty, or who have essential employees on duty, can apply for the SBA's Military Reservist Economic Injury Disaster Loan, or MREIDL. The loans have 30-year terms at an interest rate of 2.75 percent. Veterans can visit www.sba.gov/reservists to learn more about MREIDL and the other business start-up and growth services the Agency offers.

It is gratifying to me to know that the SBA is doing what it can to assist our brave servicemen and women.

Jose R. Sifontes
District Director

Lounging Around Works for Long Island Entrepreneur

Great River, NY- Become successful by lounging around? Nothing could be further from the truth really, for successful small business owners and in particular, Long Island entrepreneur Ken Braun and his Web-based company Lounge Lizard Worldwide, Inc.

In fact, Braun started his business with a fifty-dollar investment in 1996, and through talent and hard work turned that investment into a marketing company with 15 employees and sales that are skyrocketing.

The original fifty dollars bought Braun a monthly text link to a banner design company, which in turn led to his first client--- in Africa. In the following year he set up shop at the Long Island Technology Center in Great River. By 2000 he landed a contract to develop flash-based movies for Nikon, and in 2003 he had grown his business by 40 percent. Lounge Lizard's clients now come from a wide range of industries and include such diverse organizations as Disney Interactive, American Express, Nikon and Nokia.

Braun credits some of his success to the financing provided by the U.S. Small Business Administration and Fleet Bank, as well as counseling he received from the SBA-funded small business development center in Stonybrook. He said, "The loan allowed me to purchase a wider presence on

the Internet which in turn led to increased sales. It also allowed me to hire four employees including a highly qualified business development director, which I knew I needed. That has also increased my sales."

When he's not working or taking care of his children, Braun devotes his time to a number of community-help organizations. Lounge Lizard created commercials for Women of Substance, an organization for abused women, and Braun was recently elected to the Board of Directors for the Suffolk County Boy Scouts of America to help them with their marketing message.

So where did the name Lounge Lizard come from, you may ask? Well, it's a carryover from the time Braun was originally in the liquor business, and he thought, "Why not?" Although he had an inkling at the time, he had no idea how well the images the name conjures up, would draw traffic to his Web site. And based upon that traffic he has advice for other small business owners. "Most people don't realize how they can grow their company on the Internet. I was Internet savvy when I started but to this day I am still amazed at how much business a Web site can draw," he says. "The way search-engines work these days, I would advise every entrepreneur to get a Web site if they don't already have one," added Braun.

New York Office to Conduct Outreach Blitz to Small Businesses

The New York District Office of the U.S. Small Business Administration will be emptying its office of employees throughout July in an aggressive effort to inform small businesses throughout 10 counties of the numerous assistance programs it offers.

“We have found the ‘taking it to the street’ approach of contacting businesses to be an effective marketing approach for us,” said Jose Sifontes, the SBA’s New York District Director. “It is often difficult for small business owners to take time off from running their businesses to learn about the various assistance programs available to them, so we’re going to them,” added Sifontes.

The blitz will be conducted in primarily industrial areas in all five boroughs, and Dutchess, Ulster, Nassau, Suffolk and Westchester counties. Prior to visiting the businesses, SBA employees will have already visited small business lenders in the areas to inform them of the blitz, update them on SBA guaranteed loan programs and advise them to be on the lookout for new customers as a result of the blitz.

The first of 13 walking tours will take place in the Hunt’s Point section of the Bronx the week of July 6. The other areas to be visited by the last week of July are Port Morris, East Harlem, and Long

New York District Top Ten Lenders 10/01/03-06/30/04

Lender	# Loans	Amt.
HSBC	670	\$47,001,900
JP Morgan Chase	436	\$27,146,100
Fleet National	274	\$13,305,300
Capital One Federal Savings	162	\$7,180,000
Citibank, N.A.	153	\$5,879,500
Commerce National	69	\$17,866,700
Broadway National	60	\$17,263,000
Empire State Certified Development Corp.	49	\$28,620,000
CIT Small Business Lending	48	\$23,607,000
Long Island Development Corp.	47	\$22,228,000

Island City, Brooklyn Navy Yard, Hauppauge Industrial Park, Brookhaven, East Williamsburg, Yonkers, West Babylon, Central Islip, Brooklyn Army Terminal, Staten Island, Freeport, Poughkeepsie, Brentwood, East Brooklyn, Hempstead and Kingston.

There will be bilingual SBA staffers on the blitz teams and the Agency has also invited representatives from numerous other economic development

organizations to join them on the tours.

“Our loans to small businesses are way up this year compared to the previous record-setting year,” said Sifontes. “But we believe there is still so much more to be done and the blitzes are one way to do it.”

For a complete listing of events visit www.sba.gov

SBA Comes to Queens Day



From left: SBA Administrator Hector V. Barreto; Veronica Rose, Owner, Aurora Electric; Michael Pappas, SBA Regional Administrator; Jose R. Sifontes, SBA District Director

SBA Administrator Visits Queens to Honor Small Business Owners

Queens, NY-- On June 10, SBA Administrator Hector Barreto joined Queens Borough President Helen Marshall and 26th District Councilman Eric Gioia along with local economic development officials to honor outstanding small business owners and operators in the borough.

Dubbed *SBA Comes to Queens Day*, the day-long tour of the borough included events at Kauffman Astoria Studios, the small business development centers at York College and LaGuardia Community College, and Queens Borough Hall. The day's activities were designed to inform the local communities of the services offered by the SBA, its resource partners and its participating lenders.

(Cont'd)

Honorees at the morning's kick-off included Veronica Rose, owner of Aurora Electric, Inc.; Elizabeth Gonsalves, owner of the Jos-El Care Agency, Inc.; Tara Lendener-Mendez, owner of Ascend Day Spa; Kevin Tay, Owner of Import Food Network, LLC; and Carmela Cass, operator of the Martin DePorres School Café.

Each of the honorees had received assistance from the SBA and/or its resource partners and has grown to become a role model for other Queens small business owners and aspiring entrepreneurs.

The SBA New York District Office will be replicating *SBA Comes to Queens Day* in other areas throughout the district.

Local economic development or elected officials who are interested in seeing the SBA come to their area should contact Miguel Centano at 212-264-1468.

JRS Building Speaks for Itself

With a Little Help from the SBA's 504 Loan Program

Mineola, NY- When it comes to selling, JRS Architects, P.C. lets its building do a lot of the talking. The building's exterior gives potential exterior- and interior-design clients a good idea of the talent housed within its sleek design. JRS was able to design and build its new 10,500 square-foot headquarters and "advertising billboard" with the help of a "brick and mortar" 504 loan from the U.S. Small Business Administration, the Long Island Development Company and Fleet Bank. According to John Sorrenti, founder and president of JRS, "Our building is now one of our best advertisement vehicles."

Already recognized as number 86 on the list of *Interior Design Magazine's* Top 100 Design Firms in the country, the visibility of JRS' new building can only help propel them higher on that list. In fact, serving clients throughout the middle-Atlantic states such as JP Morgan Chase, North Fork Bank, Major League Soccer, Adelphi University and Columbia Presbyterian Medical Center led *Interior Design* to rank JRS as the fourth-fastest growing design firm in the country.

Sorrenti says his business acquaintances told him not to try the SBA route for the financing he needed because it

would be a horror story. But he decided to try anyway. "The SBA and LIDC team were great. It was a great experience," says Sorrenti. "They really took an interest in us. The experience was not at all like the old perceptions of the SBA. If you provide all the paperwork on their checklist, it's easy," Sorrenti advises. The financing, "advertising" from the new building and a talented staff has also allowed Sorrenti to grow his 18-year old firm from 25 to 30 employees.

Sorrenti also adds, "As a result of the SBA funding for our new building we have been able to give back to the community. Because of our new site we have been able to institute the JRS Holiday Tree in our lobby. Each year the Holiday Tree serves as a Toys-for-Tots collection site. We have had great response from the community for the U.S. Marine Corps Holiday Toys-for-Tots campaign. Hundreds of donated gifts are collected each year from our building and distributed back to the community through the efforts of the Marines. We are happy to give back to the community that has given us so much."

So whether you are in the market for architectural-design services, in need of small business financing or just need some eye candy, you'll want to take a ride down East Jericho Turnpike for some motivation or stimulation.

Business owners interested in the SBA's 504 Loan Program may visit www.sba.gov/ny/ny or call the SBA at 212-264-5354.

Do yourself a favor!

Sometimes you don't know what you don't know. Visit the SBA's Home page at www.sba.gov and surf around to learn about starting, running and growing a business, as well as current developments that may impact your business.

"SCORE" a Loan

The New York City chapter of SCORE (Service Corps of Retired Executives) has announced a new initiative to help small business owners obtain financing to grow their businesses.

SCORE, a counseling and technical assistance provider of the U.S. Small Business Administration, will actively assist prospective borrowers through the loan application process and try to match them with appropriate lenders.

"SCORE's new effort is another arrow in our quiver of providing what small businesses need," said Jose Sifontes, New York District Director of the SBA, which oversees the SCORE program. "Many of our customers tell us they need capital in the range of just \$10,000 to \$50,000," added Sifontes. SCORE is perfectly suited to match borrowers and lenders in that range, and now they join our other resource partners in providing that service."



SAVE THE DATES

U.S. Small Business Administration
&
Hewlett Packard

Presents a Two Part

EASTERN REGIONAL BUSINESS MATCHMAKING TRAINING & MEET THE BUYERS FAIR

ADAMS MARK HOTEL
City Avenue & Monument Road
Philadelphia, PA

JULY 22nd, 2004

Training – “Preparing to Meet the Buyers”

The Half day event will prepare small business owners to meet with contracting representatives from both public and private sector organization to learn:

- How to register in the Central Contractor Registry (CCR)
- What to bring to the “Meet the Buyers Fair”
- How to walk away with contracts

AUGUST 17th & 18th, 2004
“Meet the Buyers Fair”

The Business Matchmaking program is a partnership between the Small Business Administration (SBA) and Hewlett-Packard (HP), to create face-to-face meetings between small business owners and public and private sector procurement representatives in an effort to award more contracts to more small businesses. In addition to the unique meetings, over 100 representatives of major federal, state, county and city agencies along with dozens of America’s leading corporations will be in Philadelphia to meet with SBA/HP registrants to discuss current and future contracting opportunities.

If you are interested in attending the “Training” and the “Meet the Buyers Fair,” please go to web site: <https://www.bmmreg.com> to register. If you have any questions, feel free to contact Diane Disepio at diane.disepio1@sba.gov or call (215)580-2756.